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Dept. of State, RPS/IPS, Margaret P. Grafekd, Disc. () Release () Excise () Deny () Declassify Date 2/2/162 Exemption 1.5 declared

SECTION 01 OF 03 SAN JOSE 07849

E.O. 12356: DECL:OADR TAGS: PGOV, PREL, CS

AMEMBASSY SANTIAGO

SUBJECT: ARIAS ADVISOR JOHN BIEHL PUBLICLY BLASTS USG

1. (U) SUMMARY. JOHN BIEHL, CLOSE FRIEND AND ADVISOR TO PRESIDENT ARIAS, IS QUOTED IN A RECENT INTERVIEW AS CALLING THE REAGAN ADMINISTRATION, "A SHAME ON AMERICAN DEMOCRACY." BIEHL ADDED THAT ARIAS HAD "THE COURAGE, THE ARROGANCE IF YOU WILL, TO CONFRONT REAGAN AND TELL HIM: 'I KNOW CENTRAL AMERICA BETTER THAN YOU AND YOUR ADVISORS.'" IN THE INTERVIEW, BIEHL ALSO REFLECTED ON THE POSITION OF ARIAS VIS-A-VIS THE USG, THE ARIAS PEACE PLAN, ARIAS' RELATIONS WITH DANIEL ORTEGA, AND BIEHL'S OWN POSITION IN COSTA RICA. THE BIEHL INTERVIEW HAS TRIGGERED A CONSIDERABLE ADVERSE REACTION LOCALLY. END SUMMARY.

CONTIDENTIAL

Dept of State, RPS/IPS, Margaret P. Grafeld, Dir () Classify as () Extend as () Downgrade to Date 2/27/02 Declassify on 6/19/3 Reason 1/5/4

COMETERMENTAL

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- 2. (U) JOHN BIEHL, CHILEAN FRIEND AND ADVISOR TO PRESIDENT ARIAS, GAVE AN INTERVIEW TO THE CHILEAN MAGAZINE "APSI" THAT APPEARED IN THE MAY 23-29 EDITION OF THAT PUBLICATION. BIEHL SPOKE OUT ON A NUMBER OF TOPICS; THE QUESTIONS AND ANSWERS THAT FOLLOW ARE ALL DIRECT QUOTES (IN EMBASSY TRANSLATION) FROM THE INTERVIEW.
- Q: THE REAGAN ADMINISTRATION WANTED TO COUNT ON THE SUPPORT OF COSTA RICA TO BRING ABOUT ITS POLITICAL-ECONOMIC GOALS IN CENTRAL AMERICA. WHAT HAVE BEEN THE MOST CONTROVERSIAL ASPECTS OF THIS POLICY FOR OSCAR ARIAS?

THERE ARE BASICALLY TWO: THE USE BY THE UNITED STATES OF COSTA RICA AS A MILITARY BASE AND THE (ATTEMPT) TO TRANSFORM THE COSTA RICAN ECONOMY INTO A VERSION OF "REAGANOMICS." FOR ME, OSCAR HAS BEEN TREMENDOUS. HE WAS ABLE TO CHECK THESE TENDENCIES WITH GREAT POLITICAL SKILL . . . THE REAGAN ADMINISTRATION IS A SHAME ON AMERICAN DEMOCRACY (UNA VERGUENZA PARA LA DEMOCRACIA NORTE-AMERICANA). IT WANTS TO HAVE A MARINE ON EVERY SQUARE METER OF CENTRAL AMERICA, AND EVEN THEN IT DOESN'T FEEL SAFE. IT ONLY BELIEVES IN ARMIES, NOT IN LIBERTY OR IN DEMOCRATIC INSTITUTIONS. THE AMERICANS HAVE CONSTRUCTED A PARALLEL STATE HERE. THEY HAVE ESTABLISHED PRIVATE BANKING AND THEIR OWN UNIVERSITIES. THEY EVEN HAVE A MINISTRY OF PUBLIC WORKS WHERE THE AGENCY FOR INTERNATIONAL DEVELOPMENT TELLS COSTA RICA WHICH ROADS IT CAN BUILD AND WHICH IT CANNOT. OSCAR ASSUMED THE PRESIDENCY AT A VERY DIFFICULT MOMENT: DURING THE

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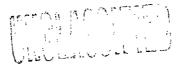
LAST STAND (OF THE USG) IN TRYING TO MAINTAIN CENTRAL AMERICA AS A BANANA PLANTATION AND DENYING THE NATIONS OF THE AREA THE RIGHT TO BE NATIONS.

Q: HOW WAS PRESIDENT ARIAS PRESSURED BY THE AMERICAN GOVERNMENT?

THEY THOUGHT OSCAR WOULD BE EASY TO MANAGE, BUT NOTHING WORKED -- NOT DISPLAYS OF POWER, NOR THREATS, NOR PLAYING UP TO HIM . . . AN AMERICAN PLANE WOULD ARRIVE ALMOST EVERY WEEK CARRYING OFFICIALS DETERMINED TO PRESSURE PRESIDENT ARIAS, EACH TIME BRINGING SOMEBODY NEW: GENERAL GALVIN OR FRANK CARLUCCI OR PHILLIP HABIB OR ELLIOTT ABRAMS. ALL THESE GUYS ("TIPOS") WOULD COME AND GO, ALWAYS NERVOUS AND PRESSURED, ALWAYS SEEKING IMMEDIATE RESULTS . . . OSCAR'S STUBBORNESS WORRIED THEM FROM THE BEGINNING, AND THEY MADE THIS OBVIOUS WITH PERSONAL ATTACKS ON THE LEVEL OF MERE GOSSIP, ALLEGING THAT HE WAS A VAIN AND POMPOUS MAN, AND SO PRESIDENT ARIAS HAS HAD THE COURAGE, THE ARROGANCE IF YOU WILL, OF CONFRONTING REAGAN AND TELLING HIM: "I KNOW MORE ABOUT CENTRAL AMERICA THAN YOU AND YOUR ADVISORS."

Q: HOW WAS THE ESQUIPULAS II PEACE PLAN BORN?

A: THE PEACE PLAN WAS BORN DURING ARIAS'
PRESIDENTIAL CAMPAIGN . . . DURING A LONG NIGHT OF
WINE AND TALK, OSCAR WAS LOOKING DEPRESSED AND SAID
HE WOULD RATHER LOSE THE ELECTION THAN CAMPAIGN ON
A PRO-WAR PLATFORM. AND SO WE MOUNTED A PEACE
CAMPAIGN THAT WAS, BESIDES ROMANTIC, A GREAT



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L N I I I L SECTION 02 OF 03 SAN JOSE 07849

E.O. 12356: DECL:OADR TAGS: PGOV, PREL, CS

SUBJECT: ARIAS ADVISOR JOHN BIEHL PUBLICLY BLASTS USG SUCCESS... OSCAR, WHEN ELECTED, ALREADY HAD THE IDEA OF PROPOSING A PEACE PLAN, BUT COSTA RICA WAS SO INVOLVED IN INFRINGEMENTS ON ITS TERRITORY THAT HE HAD TO FIRST DEDICATE A GOOD AMOUNT OF ENERGY IN DISMANTLING THE WHOLE THING: CLOSING THE AIRSTRIP IN SANTA ELENA (EDITORS NOTE: CLANDESTINE AND CONSTRUCTED BY THE CIA FOR THE CONTRAS), ENDING THE ASSISTANCE TO THE CONTRAS VIA COSTA RICA, AND SEEING THAT THE HUNDREDS OF CIA AGENTS USING THE COUNTRY LEFT. I BELIEVE HISTORY WILL JUSTIFY WHAT HE HAS DONE... IF ARIAS HAS NOT BEEN ELECTED, NICARAGUA WOULD HAVE INVADED AND GENERAL WAR WOULD HAVE BROKEN OUT THROUGH THE REGION.

Q: HOW DO THE SANDINISTAS VIEW PRESIDENT ARIAS,



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CONSIDERING THAT THEY ARE ALWAYS COMPLAINING THAT COSTA RICA EXPECTS THEM TO BECOME A "COSTA RICAN-STYLE" DEMOCRACY, WITH ITS SOCIAL DEMOCRATIC MODEL OF DEVELOPMENT?

- OSCAR UNDERSTANDS VERY WELL THAT THE SANDINISTA REVOLUTION HAS TO FIND ITS OWN COURSE, AND THAT THIS HAS TO BE AN INTERNAL PROCESS -- BUT NOT WITHIN THE EAST-WEST CONFLICT, AS IN THE CUBAN CASE.
- HOW ARE RELATIONS BETWEEN OSCAR ARIAS AND HIS NICARAGUAN COUNTERPART, DANIEL ORTEGA?
- THE RELATIONSHIP BETWEEN THE TWO IS REALLY A : SOMETHING SPECIAL. IT'S POSITIVE . . . WHEN OSCAR SPEAKS, WHEN ORTEGA SPEAKS, IT SEEMS THEY REALLY WANT TO CHANGE ATTITUDES. DANIEL KNOWS THAT HE'S SURROUNDED BY ENEMIES. I THINK THAT (ORTEGA) HAS AT LEAST COME TO REALIZE THAT THE PRESIDENT OF COSTA RICA IS DIFFERENT FROM THE REST, THAT HE HAS MORE INFLUENCE AND CAN REALLY ARRIVE AT A WAY OF ACHIEVING PEACE.
- IN THE PAST YEAR YOU FOUND YOURSELF FORCED TO QUIT YOUR UNITED NATIONS JOB WHEN MEMBERS OF THE AMERICAN CONGRESS ACCUSED YOU OF UTILIZING THAT POST FOR WORKING AGAINST REAGAN'S REGIONAL POLICIES. AT THE SAME TIME, THE COSTA RICAN PRESS WENT AFTER YOU FOR BEING A FOREIGNER SO CLOSE TO THE PRESIDENT. DOES ALL THIS BOTHER YOU?
- A: NONE OF THOSE ACCUSATIONS HAS BEEN PROVED. ANY CASE, I TRY NOT TO FEEL PARANOID. WHEN I KNEW COMPTDENSETA

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WITH CERTAINTY THAT THE CIA WAS INVOLVED IN THIS CAMPAIGN, I RELAXED; THEY ARE SO STUPID THAT THEY NEVER HIT THEIR TARGET.

END OUOTES FROM INTERVIEW.

3. (U) LOCAL REACTION THUS FAR TO BIEHL'S COMMENTS HAS BEEN UNIFORMLY NEGATIVE. GOVERNING PARTY (PLN) LEGISLATIVE ASSEMBLY MEMBER FERNANDO VOLIO SAID THAT IF BIEHL HAD NOT BEEN MISQUOTED, HIS REMARKS CONSTITUTE "AN ABUSIVE, IRRITATING AND PREJUDICIAL INTERVENTION IN COSTA RICA'S INTERNAL AND FOREIGN POLITICS." VOLIO OPINED THAT BIEHL'S REMARKS DEMONSTRATE "AN ERRONEOUS AND UNJUST APPRECIATION OF THE POLICY OF PRESIDENT REAGAN TOWARD COSTA RICA AND IN RELATION TO THE DANGER OF COMMUNISM IN CENTRAL IN RELATION TO THE DANGER OF COMMENCE. " PLN PRESIDENTIAL ASPIRANT CARLOS MANUEL BEEFFER A COLUMN TO THE DANGER OF THE PROPERTY OF THE PROPERT

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CASTILLO COMMENTED ALONG SIMILAR LINES, NOTING THAT "THESE TYPES OF DECLARATIONS DON'T CONTRIBUTE AT ALL TO IMPROVING OUR RELATIONS WITH THE U.S." CASTILLO COUNSELED BIEHL TO MAINTAIN A LOWER PROFILE, SAYING THAT HE "SHOULD HAVE A TRUE PASSION FOR ANONYMITY." OPPOSITION (PUSC) PARTY LEGISLATIVE LEADER FEDERICO VILLALOBOS DEMANDED THAT ARIAS SPEAK UP AND STATE WHETHER HE AGREES WITH BIEHL'S CHARGES OR NOT. VILLALOBOS LAMENTED THAT BIEHL'S CHARGES CONTRIBUTE TO A FURTHER DETERIORATION IN RELATIONS BETWEEN THE TWO COUNTRIES.



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